

Financial Statements of

**BARTON VILLAGE  
BUSINESS IMPROVEMENT AREA**

Year ended December 31, 2014



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## INDEPENDENT AUDITORS' REPORT

To the Chairman and Members of the Board of Management of Barton Village Business Improvement Area, Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Hamilton

We have audited the accompanying financial statements of Barton Village Business Improvement Area, which comprise the statement of financial position as at December 31, 2014, the statements of operations, changes in net financial assets (debt) and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Barton Village Business Improvement Area as at December 31, 2014, and its results of operations and its changes in net financial assets (debt) and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants

August 25, 2015  
Hamilton, Canada

# **BARTON VILLAGE BUSINESS IMPROVEMENT AREA**

## Financial Statements

Year ended December 31, 2014

### Financial Statements

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# BARTON VILLAGE BUSINESS IMPROVEMENT AREA

## Statement of Financial Position

December 31, 2014, with comparative information for 2013

	2014	2013
<b>Financial assets</b>		
Cash	\$ 8,347	\$ 18,010
HST receivable (note 4)	20,635	-
	<u>28,982</u>	<u>18,010</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	504	668
Due to City of Hamilton (note 3)	3,302	18,947
	<u>3,806</u>	<u>19,615</u>
Net financial assets (debt)	25,176	(1,605)
<b>Non-financial assets</b>		
Tangible capital assets (note 2)	20,469	16,307
Prepaid expenses	931	314
	<u>21,400</u>	<u>16,621</u>
Commitments (note 6)		
Accumulated surplus (note 5)	\$ 46,576	\$ 15,016

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_ Director  
  
\_\_\_\_\_ Director

## BARTON VILLAGE BUSINESS IMPROVEMENT AREA

### Statement of Operations

Year ended December 31, 2014, with comparative information for 2013

	Budget (note 7)	2014	2013
<b>Revenue:</b>			
Assessment levy (note 3)	\$ 53,970	\$ 53,970	\$ 46,630
City of Hamilton grants (note 3)	-	28,646	5,782
HST recovery (note 4)	-	20,635	-
Parking share revenue (note 3)	-	12,448	11,245
Interest income	-	-	1
<b>Total revenue</b>	<b>53,970</b>	<b>115,699</b>	<b>63,658</b>
<b>Expenses:</b>			
Advertising and promotion	2,000	6,018	1,568
Amortization	-	5,890	4,528
Bad debts	-	4,302	18,947
Bank charges	100	65	20
Commercial improvement	8,800	22,782	19,141
Event equipment and supplies	1,200	501	1,597
Insurance	1,900	1,835	1,942
Meetings and business development	3,450	1,678	1,412
Office expenses	2,565	3,662	1,308
Professional fees	1,975	1,574	1,966
Rent	6,780	6,780	5,890
Salaries – administrative	25,200	29,052	25,889
<b>Total expenses</b>	<b>53,970</b>	<b>84,139</b>	<b>84,208</b>
Annual surplus (deficit)	-	31,560	(20,550)
Accumulated surplus, beginning of year	-	15,016	35,566
<b>Accumulated surplus, end of year</b>	<b>\$ -</b>	<b>\$ 46,576</b>	<b>\$ 15,016</b>

See accompanying notes to financial statements.

## BARTON VILLAGE BUSINESS IMPROVEMENT AREA

### Statement of Changes in Net Financial Assets (Debt)

Year ended December 31, 2014, with comparative information for 2013

	2014	2013
Annual surplus (deficit)	\$ 31,560	\$ (20,550)
Acquisition of tangible capital assets	(10,052)	(9,416)
Amortization of tangible capital assets	5,890	4,528
Change in prepaid expenses	(617)	1
Change in net financial assets (debt)	26,781	(25,437)
Net financial assets (debt), beginning of year	(1,605)	23,832
Net financial assets (debt), end of year	\$ 25,176	\$ (1,605)

See accompanying notes to financial statements.

## BARTON VILLAGE BUSINESS IMPROVEMENT AREA

### Statement of Cash Flows

Year ended December 31, 2014, with comparative information for 2013

	2014	2013
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ 31,560	\$ (20,550)
Items not involving cash:		
Amortization	5,890	4,528
Changes in non-cash assets and liabilities:		
Accounts payable and accrued liabilities	(164)	(695)
HST recovery	(20,635)	-
Prepaid expenses	(617)	1
Net change in cash from operating activities	16,034	(16,716)
Capital activities:		
Cash used to acquire tangible capital assets	(10,052)	(9,416)
Financing activities:		
Change in due to City of Hamilton	(15,645)	29,470
Net (decrease) increase in cash	(9,663)	3,338
Cash, beginning of year	18,010	14,672
Cash, end of year	\$ 8,347	\$ 18,010

See accompanying notes to financial statements.



# BARTON VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2014

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The Barton Village Business Improvement Area ("Business Improvement Area") was established by the Council of the City of Hamilton and has been entrusted with the improvement, beautification and maintenance of municipally owned lands, buildings and structures in the improvement area, beyond such expenditures by the City of Hamilton. The Business Improvement Area is also responsible for the promotion of this improvement area for business and shopping. The Business Improvement Area is financed by a special levy charged upon businesses in the improvement area.

## 1. Significant accounting policies:

The financial statements of the Business Improvement Area are prepared by management in accordance with Canadian public sector accounting standards ("PSAS") as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Business Improvement Area are as follows:

(a) Basis of accounting:

The Business Improvement Area follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and balances with banks, and highly liquid temporary money market instruments with original maturities of three months or less.

(c) Government transfers:

Government transfers received relate to the assessment levy and operating grants. Government transfers are recognized in the financial statements as revenues when the transfer is authorized, any eligibility criteria are met and a reasonable estimate of the amounts can be made except when, and to the extent that, stipulations by the transferors give rise to an obligation that meet the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

# BARTON VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2014

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## 1. Significant accounting policies (continued):

(d) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful life - years
Computer hardware	5
Decorations	5
Furniture and equipment	10

(e) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

## BARTON VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2014

### 2. Tangible capital assets:

Cost	Balance at December 31, 2013	Additions	Disposals	Balance at December 31, 2014
Computer hardware	\$ 1,524	\$ -	\$ -	\$ 1,524
Decorations	23,323	144	-	23,467
Furniture and equipment	4,250	9,908	-	14,158
<b>Total</b>	<b>\$ 29,097</b>	<b>\$ 10,052</b>	<b>\$ -</b>	<b>\$ 39,149</b>

Accumulated amortization	Balance at December 31, 2013	Disposals	Amortization expense	Balance at December 31, 2014
Computer hardware	\$ 812	\$ -	\$ 305	\$ 1,117
Decorations	10,266	-	4,664	14,930
Furniture and equipment	1,712	-	921	2,633
<b>Total</b>	<b>\$ 12,790</b>	<b>\$ -</b>	<b>\$ 5,890</b>	<b>\$ 18,680</b>

	Net book value December 31, 2013	Net book value December 31, 2014
Computer hardware	\$ 712	\$ 407
Decorations	13,057	8,537
Furniture and equipment	2,538	11,525
<b>Total</b>	<b>\$ 16,307</b>	<b>\$ 20,469</b>

(a) Contributed tangible capital assets:

The Business Improvement Area received \$8,605 (2013 - \$nil) in contributed tangible capital assets.

(b) Tangible capital assets disclosed at nominal values:

There are no tangible capital assets recognized at a nominal value.

(c) Write-down of tangible capital assets:

The Business Improvement Area has not recorded write-downs of tangible capital assets during the year.

# BARTON VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2014

### 3. Related party transactions:

During the year, the Business Improvement Area recorded the following transactions with the City of Hamilton:

Revenue:

	2014	2013
Member levy collected on behalf of the Business Improvement Area	\$ 53,970	\$ 46,630

The City of Hamilton has also contributed \$6,134 (2013 - \$5,251) to commercial improvement programs undertaken by the Business Improvement Area, \$12,448 (2013 - \$11,245) from parking sharing revenue program and \$22,512 (2013 - \$531) in other grants.

At the end of the year, the Business Improvement Area had a payable to the City of Hamilton of \$3,302 (2013 - \$18,947) for the cash received in excess of the member levy collected by the City of Hamilton.

### 4. HST receivable:

On December 17, 2014, the Business Improvement Area received a determination from Canada Revenue Agency noting that it had been granted para-municipal status per *Part IX of the Excise Tax Act*. Under this determination, the Business Improvement Area is permitted to retroactively file for a return of a 100% rebate of the federal component and 78% of the provincial component of HST remitted during the preceding four fiscal years. The amount recorded in the current year of \$20,635 (2013 - \$nil) represents management's estimate of amounts to be recovered based on the total four year retroactive claim.

### 5. Accumulated surplus:

Accumulated surplus consists of the following:

	2014	2013
Surplus:		
Invested in tangible capital assets	\$ 20,469	\$ 16,307
Operating	26,107	(1,291)
Accumulated surplus	\$ 46,576	\$ 15,016

# BARTON VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2014

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**6. Commitments:**

The Business Improvement Area is committed under an operating lease for the rental of office space. Future minimum lease payments under this operating lease are as follows:

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2015	\$ 6,780
2016	6,780
2017	6,780
2018	3,390
2019 and thereafter	-

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**7. Budget data:**

The budget data presented in these financial statements is based upon the 2014 budget approved by the Board. Amortization was not contemplated on development of the budget and, as such, has not been included.

Financial Statements of

**CONCESSION STREET  
BUSINESS IMPROVEMENT AREA**

Year ended December 31, 2014



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## INDEPENDENT AUDITORS' REPORT

To the Chairman and Members of the Board of Management of the Concession Street Business Improvement Area, Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Hamilton

We have audited the accompanying financial statements of the Concession Street Business Improvement Area, which comprise the statement of financial position as at December 31, 2014, the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Concession Street Business Improvement Area as at December 31, 2014, and its results of operations and its changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants

September 15, 2015  
Hamilton, Canada



# CONCESSION STREET BUSINESS IMPROVEMENT AREA

Financial Statements

Year ended December 31, 2014

## Financial Statements

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# CONCESSION STREET BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2014, with comparative information for 2013

	2014	2013
<b>Financial assets</b>		
Cash	\$ 68,981	\$ 67,262
Due from City of Hamilton (note 4)	1,211	1,173
HST receivable (note 5)	12,588	20,564
	<u>82,780</u>	<u>88,999</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	2,124	3,670
Deferred revenue	40,375	40,375
	<u>42,499</u>	<u>44,045</u>
Net financial assets	40,281	44,954
<b>Non-financial assets</b>		
Tangible capital assets (note 2)	11,514	9,779
Prepaid expenses	295	295
	<u>11,809</u>	<u>10,074</u>
Commitment (note 7)		
Accumulated surplus (note 3)	\$ 52,090	\$ 55,028

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

## CONCESSION STREET BUSINESS IMPROVEMENT AREA

### Statement of Operations

Year ended December 31, 2014, with comparative information for 2013

	Budget (note 6)	2014	2013
<b>Revenue:</b>			
Assessment levy (note 4)	\$ 80,750	\$ 80,961	\$ 79,680
City of Hamilton grants (note 4)	-	26,070	36,363
Other income	-	12,425	16,189
<b>Total revenue</b>	<b>80,750</b>	<b>119,456</b>	<b>132,232</b>
<b>Expenses:</b>			
Advertising and promotion	10,700	8,686	25,477
Amortization	-	3,581	6,871
Bad debts	1,250	50	914
Christmas decorations	11,200	3,895	3,780
Contract services	-	3,341	3,103
Festivals	1,000	43,353	25,811
General beautification and improvements	21,400	17,600	14,497
Insurance	3,500	3,927	3,812
Interest and bank charges	-	99	220
Meals and entertainment	-	527	2,666
Miscellaneous	1,000	242	2,760
Office and general	4,000	4,398	3,515
Professional fees	500	1,195	600
Rent	1,200	200	470
Repairs and maintenance	-	2,534	5,010
Salaries and wages	25,000	28,766	16,100
<b>Total expenses</b>	<b>80,750</b>	<b>122,394</b>	<b>115,606</b>
Annual (deficit) surplus	-	(2,938)	16,626
Accumulated surplus, beginning of year		55,028	38,402
Accumulated surplus, end of year		\$ 52,090	\$ 55,028

See accompanying notes to financial statements.

## CONCESSION STREET BUSINESS IMPROVEMENT AREA

### Statement of Changes in Net Financial Assets

Year ended December 31, 2014, with comparative information for 2013

	2014	2013
Annual (deficit) surplus	\$ (2,938)	\$ 16,626
Acquisition of tangible capital assets	(5,316)	-
Amortization of tangible capital assets	3,581	6,871
Change in net financial assets	(4,673)	23,497
Net financial assets, beginning of year	44,954	21,457
Net financial assets, end of year	\$ 40,281	\$ 44,954

See accompanying notes to financial statements.

## CONCESSION STREET BUSINESS IMPROVEMENT AREA

### Statement of Cash Flows

Year ended December 31, 2014, with comparative information for 2013

	2014	2013
Cash provided by (used in):		
Operating activities:		
Annual (deficit) surplus	\$ (2,938)	\$ 16,626
Items not involving cash:		
Amortization	3,581	6,871
Change in non-cash assets and liabilities:		
HST receivable	7,976	(8,080)
Accounts payable and accrued liabilities	(1,546)	851
Deferred revenue	-	40,375
Net change in cash from operating activities	7,073	56,643
Capital activities:		
Cash used to acquire tangible capital assets	(5,316)	-
Financing activities:		
Change in due from City of Hamilton	(38)	18,515
Net increase in cash	1,719	75,158
Cash (bank indebtedness), beginning of year	67,262	(7,896)
Cash, end of year	\$ 68,981	\$ 67,262

See accompanying notes to financial statements.

# CONCESSION STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2014

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The Concession Street Business Improvement Area (the "Business Improvement Area") was established in 1983 by the Council of the City of Hamilton and has been entrusted with the improvements, beautification and maintenance of municipally owned land, buildings and structures in the improvement area, beyond such expenditure by the Municipality. The Business Improvement Area is also responsible for the promotion of this improvement area for business and shopping. The Business Improvement Area is financed by a special levy charged upon businesses in the improvement area.

## 1. Significant accounting policies:

The financial statements of the Business Improvement Area are prepared by management in accordance with Canadian public sector accounting standards ("PSAS") as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Business Improvement Area are as follows:

(a) Basis of accounting:

The Business Improvement Area follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and balances with banks, and highly liquid temporary money market instruments with original maturities of three months or less.

(c) Deferred revenue:

Deferred revenues represent the tax levy bylaw revenue which has been collected, but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

(d) Government transfers:

Government transfers received relate to the assessment levy and operating grants. Government transfers are recognized in the financial statements as revenues when the transfer is authorized, any eligibility criteria are met and a reasonable estimate of the amounts can be made except when, and to the extent that, stipulations by the transferors give rise to an obligation that meet the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

# CONCESSION STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2014

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## 1. Significant accounting policies (continued):

(e) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful life - years
Computer hardware	5
Computer software	3
Decorations	5
Furniture and equipment	10

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(f) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

# CONCESSION STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2014

## 2. Tangible capital assets:

Cost	Balance at December 31, 2013	Additions	Disposals	Balance at December 31, 2014
Computer hardware	\$ 4,626	\$ 779	\$ -	\$ 5,405
Computer software	490	-	-	490
Decorations	25,267	4,537	-	29,804
Furniture and equipment	8,930	-	-	8,930
<b>Total</b>	<b>\$ 39,313</b>	<b>\$ 5,316</b>	<b>\$ -</b>	<b>\$ 44,629</b>

Accumulated amortization	Balance at December 31, 2013	Disposals	Amortization expense	Balance at December 31, 2014
Computer hardware	\$ 2,672	\$ -	\$ 1,003	\$ 3,675
Computer software	490	-	-	490
Decorations	24,036	-	1,685	25,721
Furniture and equipment	2,336	-	893	3,229
<b>Total</b>	<b>\$ 29,534</b>	<b>\$ -</b>	<b>\$ 3,581</b>	<b>\$ 33,115</b>

Net book value	December 31, 2013	December 31, 2014
Computer hardware	\$ 1,954	\$ 1,730
Computer software	-	-
Decorations	1,231	4,083
Furniture and equipment	6,594	5,701
<b>Total</b>	<b>\$ 9,779</b>	<b>\$ 11,514</b>



# CONCESSION STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2014

**2. Tangible capital assets (continued):**

(a) Contributed tangible capital assets:

The Business Improvement Area received \$nil (2013 - \$nil) in contributed tangible capital assets.

(b) Tangible capital assets disclosed at nominal values:

There are no tangible capital assets recognized at a nominal value.

(c) Write-down of tangible capital assets:

The Business Improvement Area has not recorded write-downs of tangible capital assets during the year.

**3. Accumulated surplus:**

Accumulated surplus consists of the following:

	2014	2013
Surplus:		
Invested in tangible capital assets	\$ 11,514	\$ 9,779
Operating	40,576	45,249
<b>Accumulated surplus</b>	<b>\$ 52,090</b>	<b>\$ 55,028</b>

# CONCESSION STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2014

**4. Related party transactions:**

During the year, the Business Improvement Area recorded the following transactions with the City of Hamilton:

Revenue:

	2014	2013
Member levy collected on behalf of the Business Improvement Area	\$ 80,961	\$ 79,680

The City of Hamilton has also contributed \$5,658 (2013 - \$5,368) to commercial improvement programs undertaken by the Business Improvement Area, \$10,000 (2013 - \$16,817) from parking revenue sharing program and \$10,412 (2013 - \$14,178) in other grants. At the end of the year, the Business Improvement Area had a receivable of \$1,211 (2013 - \$1,173) from the City of Hamilton for the outstanding member levy for the year ended December 31, 2014.

**5. HST receivable:**

On December 17, 2014, the Business Improvement Area received a determination from Canada Revenue Agency noting that it had been granted para-municipal status per *Part IX of the Excise Tax Act*. Under this determination, the Business Improvement Area is permitted to retroactively file for a return of a 100% rebate of the federal component and 78% of the provincial component of HST remitted during the preceding four fiscal years. The amount recorded in the current year of \$12,588 represents management's estimate of amounts to be recovered based on the total four year retroactive claim.

**6. Budget data:**

The budget data presented in these financial statements is based upon the 2014 budget approved by the Board. Amortization was not contemplated on development of the budget and, as such, has not been included.

# CONCESSION STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2014

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## 7. Lease commitment:

The Business Improvement Area is committed to minimum annual lease payments under an operating lease for its office space as follows:

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2015	\$	4,004
2016		2,000
2017 and thereafter		-
	\$	6,004

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Financial Statements of

**DOWNTOWN HAMILTON  
BUSINESS IMPROVEMENT AREA**

Year ended December 31, 2014



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## INDEPENDENT AUDITORS' REPORT

To the Chairman and Members of the Board of Management of the Downtown Hamilton Business Improvement Area, Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Hamilton

We have audited the accompanying financial statements of the Downtown Hamilton Business Improvement Area, which comprise the statement of financial position as at December 31, 2014, the statements of operations, changes in net financial assets (debt) and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Downtown Hamilton Business Improvement Area as at December 31, 2014, and its results of operations and its changes in net financial assets (debt) and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants

September 25, 2015  
Hamilton, Canada

# **DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA**

## Financial Statements

Year ended December 31, 2014

### Financial Statements

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## DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA

### Statement of Financial Position

December 31, 2014, with comparative information for 2013

	2014	2013
<b>Financial assets</b>		
Cash	\$ 203,859	\$ 16,519
HST receivable	12,672	13,385
Accounts receivable	15,227	9,285
	<u>231,758</u>	<u>39,189</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	25,257	12,925
Due to City of Hamilton (note 6)	3,994	11,829
Deferred revenue	150,000	-
	<u>179,251</u>	<u>24,754</u>
Net financial assets	52,507	14,435
<b>Non-financial assets</b>		
Tangible capital assets (note 2)	40,166	49,775
Prepaid expenses	3,257	2,598
	<u>43,423</u>	<u>52,373</u>
Accumulated surplus (note 3)	\$ 95,930	\$ 66,808

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_ Director  
  
\_\_\_\_\_ Director



## DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA

### Statement of Operations

Year ended December 31, 2014, with comparative information for 2013

	Budget (note 7)	2014	2013
<b>Revenue:</b>			
Assessment levy (note 5)	\$ 300,000	\$ 296,006	\$ 252,849
City of Hamilton grants (note 6)	-	25,837	27,287
Federal grant	-	15,724	3,901
Interest	100	52	30
Other	75,000	62,839	55,518
	375,100	400,458	339,585
<b>Expenses:</b>			
Administration	21,100	9,937	4,843
Amortization	14,000	13,407	13,434
Bad debt expense	-	3,044	-
Beautification	41,500	29,106	31,295
Office	41,000	44,566	35,836
Professional fees	2,000	2,291	4,358
Promotions	141,500	122,929	119,076
Salaries	114,000	146,056	118,781
	375,100	371,336	327,623
Annual surplus	-	29,122	11,962
Accumulated surplus, beginning of year		66,808	54,846
Accumulated surplus, end of year		\$ 95,930	\$ 66,808

See accompanying notes to financial statements.

## DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA

### Statement of Changes in Net Financial Assets (Debt)

Year ended December 31, 2014, with comparative information for 2013

	2014	2013
Annual surplus	\$ 29,122	\$ 11,962
Acquisition of tangible capital assets	(3,798)	(10,180)
Amortization of tangible capital assets	13,407	13,434
Increase in prepaid expenses	(659)	796
Change in net financial assets	38,072	16,012
Net financial (debt) assets, beginning of year	14,435	(1,577)
Net financial assets, end of year	\$ 52,507	\$ 14,435

See accompanying notes to financial statements.

## DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA

### Statement of Cash Flows

Year ended December 31, 2014, with comparative information for 2013

	2014	2013
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 29,122	\$ 11,962
Items not involving cash:		
Amortization	13,407	13,434
Change in non-cash financial assets and liabilities:		
HST receivable	713	3,717
Accounts receivable	(5,942)	(7,221)
Prepaid expenses	(659)	796
Accounts payable and accrued liabilities	12,332	(9,149)
Deferred revenue	150,000	(68,750)
Net change in cash from operating activities	198,973	(55,211)
Capital activities:		
Cash used to acquire tangible capital assets	(3,798)	(10,180)
Financing activities:		
Change in due to/from City of Hamilton	(7,835)	12,790
Net increase (decrease) in cash	187,340	(52,601)
Cash, beginning of year	16,519	69,120
Cash, end of year	\$ 203,859	\$ 16,519

See accompanying notes to financial statements.

## **DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA**

Notes to Financial Statements

Year ended December 31, 2014

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The Downtown Hamilton Business Improvement Area (the "Business Improvement Area") was established in 1982 by the Council of the City of Hamilton and has been entrusted with the improvement, beautification and maintenance of municipality owned lands, buildings and structures in the improvement area, beyond such expenditure by the Municipality. The Business Improvement Area is also responsible for the promotion of this improvement area for business and shopping. The Business Improvement Area is financed by a special levy charged upon businesses in the improvement area.

### **1. Significant accounting policies:**

The financial statements of the Business Improvement Area are prepared by management in accordance with Canadian public sector accounting standards ("PSAS") as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Business Improvement Area are as follows:

(a) Basis of accounting:

The Business Improvement Area follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and balances with banks, and highly liquid temporary money market instruments with original maturities of three months or less.

(c) Government transfers:

Government transfers received relate to the assessment levy and operating grants. Government transfers are recognized in the financial statements as revenues when the transfer is authorized, any eligibility criteria are met and a reasonable estimate of the amounts can be made except when, and to the extent that, stipulations by the transferors give rise to an obligation that meet the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

## DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2014

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### 1. Significant accounting policies (continued):

(d) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful life - years
Computer hardware	5
Computer software	3
Decorations	5
Furniture and equipment	10

(e) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

## DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2014

### 2. Tangible capital assets:

Cost	Balance at December 31, 2013	Additions	Disposals	Balance at December 31, 2014
Computer hardware	\$ 2,502	\$ 937	\$ -	\$ 3,439
Computer software	206	-	-	206
Decorations	103,091	-	-	103,091
Furniture and equipment	55,380	2,861	-	58,241
<b>Total</b>	<b>\$ 161,179</b>	<b>\$ 3,798</b>	<b>\$ -</b>	<b>\$ 164,977</b>

Accumulated amortization	Balance at December 31, 2013	Disposals	Amortization expense	Balance at December 31, 2014
Computer hardware	\$ 2,424	\$ -	\$ 225	\$ 2,649
Computer software	206	-	-	206
Decorations	85,757	-	7,358	93,115
Furniture and equipment	23,017	-	5,824	28,841
<b>Total</b>	<b>\$ 111,404</b>	<b>\$ -</b>	<b>\$ 13,407</b>	<b>\$ 124,811</b>

	Net book value December 31, 2014	Net book value December 31, 2013
Computer hardware	\$ 790	\$ 78
Computer software	-	-
Decorations	9,976	17,334
Furniture and equipment	29,400	32,363
<b>Total</b>	<b>\$ 40,166</b>	<b>\$ 49,775</b>

(a) Contributed tangible capital assets:

The Business Improvement Area received \$nil (2013 - \$nil) in contributed tangible capital assets.

(b) Tangible capital assets disclosed at nominal values:

There are no tangible capital assets recognized at a nominal value.

## DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2014

### 2. Tangible capital assets (continued):

(c) Write-down of tangible capital assets:

The Business Improvement Area has not recorded write-downs of tangible capital during the year.

### 3. Accumulated surplus:

Accumulated surplus consists of the following:

	2014	2013
Surplus:		
Invested in tangible capital assets	\$ 40,166	\$ 49,775
Operating	55,764	17,033
	<b>\$ 95,930</b>	<b>\$ 66,808</b>

### 4. Commitments:

The Business Improvement Area is committed under a long-term operating lease for the rental of office space. Future minimum lease payments under this operating lease are as follows:

2015	\$ 28,145
2016	28,145
2017	28,145
2018	28,145
2019 and thereafter	23,454

### 5. Assessment levy:

The City of Hamilton has approved funding to the Business Improvement Area in the amount of \$300,000 (2013 - \$275,000). The difference between the assessment in the statement of operations is due to supplementary revenues received from the City of Hamilton for \$2,333 (2013 - \$1,861), which have been added to the approved assessment levy, and tax appeals of \$6,327 (2013 - \$24,012), which have been deducted from the approved assessment levy.

## DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2014

### 6. Related party transactions:

During the year, the Business Improvement Area recorded the following transactions with the City of Hamilton:

	2014	2013
Revenue:		
Member levy collected on behalf of the Business Improvement Area	\$ 296,006	\$ 252,849

The City of Hamilton also contributed \$4,687 (2013 - \$4,274) to commercial improvement programs undertaken by the Business Improvement Area, \$18,150 (2013 - \$19,052) from parking revenue sharing program and \$3,000 (2013 - \$3,000) in other grants. At the end of the year, the Christmas grant of \$nil (2013 - \$961) was receivable from the City of Hamilton. In addition, the Business Improvement Area had a payable of \$3,994 (2013 - \$11,829) for the cash received in excess of the member levy collected by the City of Hamilton.

### 7. Budget data:

The budget data presented in these financial statements is based upon the 2014 budget approved by the Board on December 4, 2013.



Financial Statements of

**DUNDAS BUSINESS  
IMPROVEMENT AREA**

Year ended December 31, 2014



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## INDEPENDENT AUDITORS' REPORT

To the Chairman and Members of the Board of Management of Dundas Business Improvement Area, Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Hamilton

We have audited the accompanying financial statements of Dundas Business Improvement Area, which comprise the statement of financial position as at December 31, 2014, the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Dundas Business Improvement Area as at December 31, 2014, and its results of operations and its changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*KPMG LLP*

---

Chartered Professional Accountants, Licensed Public Accountants

October 20, 2015  
Hamilton, Canada

# DUNDAS BUSINESS IMPROVEMENT AREA

## Financial Statements

Year ended December 31, 2014

### Financial Statements

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# DUNDAS BUSINESS IMPROVEMENT AREA

Statement of Financial Position

December 31, 2014, with comparative information for 2013

	2014	2013
<b>Financial assets</b>		
Cash	\$ 100,159	\$ 140,775
Investments	70,453	25,250
Accounts receivable	600	-
Due from City of Hamilton (note 5)	4,736	15,837
HST receivable	34,771	24,571
	<u>210,719</u>	<u>206,433</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	51,928	40,591
Deferred revenue	59,900	58,349
	<u>111,828</u>	<u>98,940</u>
Net financial assets	98,891	107,493
<b>Non-financial assets</b>		
Tangible capital assets (note 2)	21,886	27,105
Prepaid expenses	1,180	2,461
	<u>23,066</u>	<u>29,566</u>
Accumulated surplus (note 3)	\$ 121,957	\$ 137,059

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_ Director  
  
\_\_\_\_\_ Director

## DUNDAS BUSINESS IMPROVEMENT AREA

### Statement of Operations

Year ended December 31, 2014, with comparative information for 2013

	Budget (note 6)	2014	2013
<b>Revenue:</b>			
Assessment levy (note 5)	\$ 116,699	\$ 120,435	\$ 112,967
City of Hamilton grants (note 5)	-	42,174	42,047
Buskerfest revenue (note 5)	-	52,582	47,337
Buskerfest sponsorship – in kind (note 4)	-	62,262	56,800
Interest	300	296	285
Donations	-	11,400	2,076
Other income	1,000	10	-
<b>Total revenue</b>	<b>117,999</b>	<b>289,159</b>	<b>261,512</b>
<b>Expenses:</b>			
Advertising and promotion	59,000	70,472	77,155
Amortization	-	7,149	6,990
Bad debts	2,000	-	841
Beautification	24,000	19,376	21,906
Buskerfest expenses	18,000	75,292	60,098
Buskerfest other – in kind (note 4)	-	62,262	56,800
Contract services	29,500	29,277	30,600
Economic development	4,000	3,588	838
Grants	-	1,000	1,000
Insurance	3,500	6,658	6,918
Member services	2,000	1,066	417
Office and general	16,500	7,652	5,278
Professional fees	3,500	3,191	2,891
Rent	-	16,446	7,836
Seasonal events	-	832	-
<b>Total expenses</b>	<b>162,000</b>	<b>304,261</b>	<b>279,568</b>
<b>Annual deficit</b>	<b>(44,001)</b>	<b>(15,102)</b>	<b>(18,056)</b>
Accumulated surplus, beginning of year		137,059	155,115
<b>Accumulated surplus, end of year</b>		<b>\$ 121,957</b>	<b>\$ 137,059</b>

See accompanying notes to financial statements.

## DUNDAS BUSINESS IMPROVEMENT AREA

### Statement of Changes in Net Financial Assets

Year ended December 31, 2014, with comparative information for 2013

	2014	2013
Annual deficit	\$ (15,102)	\$ (18,056)
Acquisition of tangible capital assets	(1,930)	(27,552)
Amortization of tangible capital assets	7,149	6,990
Decrease (increase) in prepaid expenses	1,281	(1,682)
Change in net financial assets	(8,602)	(40,300)
Net financial assets, beginning of year	107,493	147,793
Net financial assets, end of year	\$ 98,891	\$ 107,493

See accompanying notes to financial statements.

## DUNDAS BUSINESS IMPROVEMENT AREA

### Statement of Cash Flows

Year ended December 31, 2014, with comparative information for 2013

	2014	2013
Cash provided by (used in):		
Operating activities:		
Annual deficit	\$ (15,102)	\$ (18,056)
Items not involving cash:		
Amortization	7,149	6,990
Change in fair value of investments	(203)	(250)
Change in non-cash assets and liabilities:		
Accounts receivable	(600)	165
HST receivable	(10,200)	1,536
Accounts payable and accrued liabilities	11,337	31,147
Deferred revenue	1,551	58,349
Prepaid expenses	1,281	(1,682)
Net change in cash from operating activities	(4,787)	78,199
Investing activities:		
Cash used to acquire tangible capital assets	(1,930)	(27,552)
Purchase of investments	(45,000)	-
Net change in cash from investing activities	(46,930)	(27,552)
Financing activities:		
Change in due from City of Hamilton	11,101	(15,837)
Net (decrease) increase in cash	(40,616)	34,810
Cash, beginning of year	140,775	105,965
Cash, end of year	\$ 100,159	\$ 140,775

See accompanying notes to financial statements.



# DUNDAS BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2014

---

The Dundas Business Improvement Area (the "Business Improvement Area") was established in 1978 by the Council of the former Town of Dundas and has been entrusted with the improvements, beautification and maintenance of municipally owned lands, buildings and structures in the improvement area, beyond such expenditures by the Municipality. The Business Improvement Area is also responsible for the promotion of this improvement area for business and shopping. The Business Improvement Area is financed by a special levy charged upon businesses in the improvement area.

## 1. Significant accounting policies:

The financial statements of the Business Improvement Area are prepared by management in accordance with Canadian public sector accounting standards ("PSAS") as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Business Improvement Area are as follows:

(a) Basis of accounting:

The Business Improvement Area follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and balances with banks, and highly liquid temporary money market instruments with original maturities of three months or less.

(c) Investments:

Investments consist of Guaranteed Investment Certificates and are stated at fair value. Gains and losses on investments are recorded when incurred and interest is recorded when received or receivable.

(d) Government transfers:

Government transfers received relate to the assessment levy and operating grants. Government transfers are recognized in the financial statements as revenues when the transfer is authorized, any eligibility criteria are met and a reasonable estimate of the amounts can be made except when, and to the extent that, stipulations by the transferors give rise to an obligation that meet the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

# DUNDAS BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2014

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## 1. Significant accounting policies (continued):

(e) Deferred revenue:

Deferred revenues represent the tax levy bylaw revenue which has been collected, but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

(f) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful life - years
Computer software	3
Computer hardware	5
Decorations	5
Furniture and equipment	10

(g) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

## DUNDAS BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2014

### 2. Tangible capital assets:

Cost	Balance at December 31, 2013	Additions	Disposals	Balance at December 31, 2014
Computer software	\$ 426	\$ -	\$ -	\$ 426
Computer hardware	-	1,239	-	1,239
Furniture and equipment	14,798	691	-	15,489
Decorations	60,934	-	-	60,934
<b>Total</b>	<b>\$ 76,158</b>	<b>\$ 1,930</b>	<b>\$ -</b>	<b>\$ 78,088</b>

Accumulated amortization	Balance at December 31, 2013	Disposals	Amortization expense	Balance at December 31, 2014
Computer software	\$ 426	\$ -	\$ -	\$ 426
Computer hardware	-	-	124	124
Furniture and equipment	9,735	-	1,515	11,250
Decorations	38,892	-	5,510	44,402
<b>Total</b>	<b>\$ 49,053</b>	<b>\$ -</b>	<b>\$ 7,149</b>	<b>\$ 56,202</b>

	Net book value December 31, 2013	Net book value December 31, 2014
Computer software	\$ -	\$ -
Computer hardware	-	1,115
Furniture and equipment	5,063	4,239
Decorations	22,042	16,532
<b>Total</b>	<b>\$ 27,105</b>	<b>\$ 21,886</b>

## DUNDAS BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2014

### 3. Accumulated surplus:

Accumulated surplus consists of the following:

	2014	2013
Surplus:		
Invested in tangible capital assets	\$ 21,886	\$ 27,105
Operating surplus	63,113	65,536
Total surplus	84,999	92,641
Reserves set aside by the Board:		
Economic development reserve	24,150	24,150
Promotional development reserve	4,820	4,820
Christmas decoration and other beautification projects reserve	7,988	15,448
Total reserves	36,958	44,418
	<b>\$ 121,957</b>	<b>\$ 137,059</b>

### 4. Sponsorship:

Donated services, which would otherwise be paid for by the Business Improvement Area are recorded at fair value when provided. The value of the donation in-kind, as determined by the donors, amounted to \$62,262 (2013 - \$56,800) and has been included in Buskerfest sponsorship in-kind and Buskerfest other in-kind expenses.

### 5. Related party transactions:

During the year, the Business Improvement Area recorded the following transactions with the City of Hamilton:

Revenue:

	2014	2013
Member levy collected on behalf of the Business Improvement Area	\$ 120,435	\$ 112,967

The City of Hamilton has also contributed \$11,712 (2013 - \$11,594) to commercial improvement programs undertaken by the Business Improvement Area, \$29,462 (2013 - \$28,591) from parking sharing revenue program and \$21,906 (2013 - \$22,768) in other grants. The Buskerfest grant of \$20,906 (2013 - \$20,906) from the City of Hamilton is included in Buskerfest revenue in the statement of operations.

## **DUNDAS BUSINESS IMPROVEMENT AREA**

Notes to Financial Statements (continued)

Year ended December 31, 2014

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### **5. Related party transactions (continued):**

At the end of the year, other grants of \$4,736 (2013 - \$21,867) was receivable from the City of Hamilton. The amount recorded in due from City of Hamilton also includes a payable to the City of Hamilton of \$nil (2013 - \$6,030) for the cash received in excess of the member levy collected by the City of Hamilton and the expenses paid by the City of Hamilton on behalf of the Business Improvement Area.

### **6. Budget data:**

The budget data presented in these financial statements is based upon the 2014 budget approved by the Board on November 26, 2013. Amortization was not contemplated on development of the budget and, as such, has not been included.

Financial Statements of

**INTERNATIONAL VILLAGE  
BUSINESS IMPROVEMENT AREA**

Year ended December 31, 2014



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## INDEPENDENT AUDITORS' REPORT

To the Chairman and Members of the Board of Management of the International Village Business Improvement Area, Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Hamilton

We have audited the accompanying financial statements of the International Village Business Improvement Area, which comprise the statement of financial position as at December 31, 2014, the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the International Village Business Improvement Area as at December 31, 2014, and its results of operations and its changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*KPMG LLP*

---

Chartered Professional Accountants, Licensed Public Accountants

October 14, 2015  
Hamilton, Canada



# **INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA**

Financial Statements

Year ended December 31, 2014

## Financial Statements

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# INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

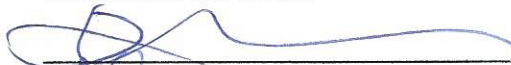
Statement of Financial Position


December 31, 2014, with comparative information for 2013

	2014	2013
<b>Financial assets</b>		
Cash	\$ 109,587	\$ 94,050
Due from City of Hamilton (note 3)	3,070	-
Accounts receivable	23,745	15,864
	<u>136,402</u>	<u>109,914</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	4,129	-
Due to City of Hamilton (note 3)	-	514
Deferred revenue	70,000	70,000
	<u>74,129</u>	<u>70,514</u>
Net financial assets	62,273	39,400
<b>Non-financial assets</b>		
Prepaid expenses	1,409	3,764
Tangible capital assets (note 2)	4,368	6,028
Commitments (note 5)		
Accumulated surplus (note 4)	<u>\$ 68,050</u>	<u>\$ 49,192</u>

See accompanying notes to financial statements.

On behalf of the Board:

 Director

 Director

# INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

## Statement of Operations

Year ended December 31, 2014, with comparative information for 2013

	Budget (note 6)	2014	2013
<b>Revenue:</b>			
Assessment levy (note 3)	\$ 140,000	\$ 140,000	\$ 137,822
Federal grant	-	-	5,475
City of Hamilton grants (note 3)	-	35,343	24,451
Oktoberfest income	-	-	35,696
Other	-	14,366	500
<b>Total revenue</b>	<b>140,000</b>	<b>189,709</b>	<b>203,944</b>
<b>Expenses:</b>			
Advertising and promotion	43,900	41,112	42,442
Amortization	-	2,244	2,186
Audit fees	600	610	610
Beautification and maintenance	2,500	2,780	7,684
Board expenses	2,000	1,853	1,942
Commercial improvement	-	-	11,023
Contingency	5,000	4,238	3,166
Insurance	3,200	3,172	3,130
Interest and bank charges	2,400	3,430	590
Member events and office	6,500	6,804	9,044
Oktoberfest expenses	-	3,047	59,428
Parking program expenditures	-	11,695	19,109
Rent	11,500	9,909	9,889
Repairs and maintenance	1,500	1,026	1,690
Wages – administrative and program delivery	56,400	75,863	51,477
Telephone and internet	4,500	3,068	3,660
<b>Total expenses</b>	<b>140,000</b>	<b>170,851</b>	<b>227,070</b>
Annual surplus (deficit)	-	18,858	(22,136)
Accumulated surplus, beginning of year		49,192	72,318
Accumulated surplus, end of year		\$ 68,050	\$ 49,192

See accompanying notes to financial statements.

## INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

### Statement of Changes in Net Financial Assets

Year ended December 31, 2014, with comparative information for 2013

	2014	2013
Annual surplus (deficit)	\$ 18,858	\$ (23,126)
Decrease in prepaid expenses	2,355	(3,764)
Amortization of tangible capital assets	2,244	2,186
Acquisition of tangible capital assets	(584)	-
Change in net financial assets	22,873	(24,704)
Net financial assets, beginning of year	39,400	64,104
Net financial assets, end of year	\$ 62,273	\$ 39,400

See accompanying notes to financial statements.

## INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

### Statement of Cash Flows

Year ended December 31, 2014, with comparative figures for 2013

	2014	2013
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ 18,858	\$ (23,126)
Items not involving cash:		
Amortization	2,244	2,186
Change in non-cash assets and liabilities:		
Accounts receivable	(7,881)	(15,864)
Prepaid expenses	2,355	(3,764)
Accounts payable and accrued liabilities	4,129	(1,897)
Net change in cash from operating activities	19,705	(42,465)
Capital activities:		
Acquisition of tangible capital assets	(584)	-
Financing activities:		
Change in due/to from City of Hamilton	(3,584)	514
Net increase (decrease) in cash	15,537	(41,951)
Cash, beginning of year	94,050	136,001
Cash, end of year	\$ 109,587	\$ 94,050

See accompanying notes to financial statements.

# INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2014

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The International Village Business Improvement Area ("Business Improvement Area") was established by the Council of the City of Hamilton and has been entrusted with the improvement, beautification and maintenance of municipally owned lands, buildings and structures in the improvement area, beyond such expenditure by the Municipality. The Business Improvement Area is also responsible for the promotion of this improvement area for business and shopping. The Business Improvement Area is financed by a special levy charged upon businesses in the improvement area.

## 1. Significant accounting policies:

The financial statements of the Business Improvement Area are prepared by management in accordance with Canadian public sector accounting standards ("PSAS") as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Business Improvement Area are as follows:

### (a) Basis of accounting:

The Business Improvement Area follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

### (b) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and balances with banks, and highly liquid temporary money market instruments with original maturities of three months or less.

### (c) Government transfers:

Government transfers received relate to the assessment levy and operating grants. Government transfers are recognized in the financial statements as revenues when the transfer is authorized, any eligibility criteria are met and a reasonable estimate of the amounts can be made except when, and to the extent that, stipulations by the transferors give rise to an obligation that meet the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

### (d) Deferred revenue:

Deferred revenues represent the tax levy bylaw revenue which has been collected, but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

# INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2014

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## 1. Significant accounting policies (continued):

### (e) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

### (i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight line basis over their estimated useful lives as follows:

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Asset	Useful life - years
Computer hardware	5
Furniture and equipment	10
Decorations	5

---

### (f) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

# INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2014

## 2. Tangible capital assets:

Cost	Balance at December 31, 2013	Additions	Disposals	Balance at December 31, 2014
Computer hardware	\$ 2,652	\$ 584	\$ -	\$ 3,236
Furniture and equipment	7,187	-	-	7,187
Decorations	7,489	-	-	7,489
<b>Total</b>	<b>\$ 17,328</b>	<b>\$ 584</b>	<b>\$ -</b>	<b>\$ 17,912</b>

Accumulated amortization	Balance at December 31, 2013	Disposals	Amortization expense	Balance at December 31, 2014
Computer hardware	\$ 2,652	\$ -	\$ 58	\$ 2,710
Furniture and equipment	4,843	-	749	5,592
Decorations	3,805	-	1,437	5,242
<b>Total</b>	<b>\$ 11,300</b>	<b>\$ -</b>	<b>\$ 2,244</b>	<b>\$ 13,544</b>

Net book value	December 31, 2013	December 31, 2014
Computer hardware	\$ -	\$ 526
Furniture and equipment	2,344	1,595
Decorations	3,684	2,247
<b>Total</b>	<b>\$ 6,028</b>	<b>\$ 4,368</b>

- (a) Contributed tangible capital assets:  
The Business Improvement Area received \$nil (2013 - \$nil) in contributed tangible capital assets.
- (b) Tangible capital assets disclosed at nominal values:  
There are no tangible capital assets recognized at a nominal value.
- (c) Write-down of tangible capital assets:  
The Business Improvement Area has not recorded write-downs of tangible capital assets during the year.



# INTERNATIONAL VILLAGE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2014

### 3. Related party transactions:

During the year, the Business Improvement Area recorded the following transactions with the City of Hamilton:

Revenue:

	2014	2013
Member levy collected on behalf of the Business Improvement Area	\$ 140,000	\$137,822

The City of Hamilton has also contributed \$7,659 (2013 - \$7,623) to commercial improvement programs undertaken by the Business Improvement Area, \$17,784 (2013 - \$16,828) from parking sharing revenue program and \$9,900 (2013 - \$nil) for the Downtown Alleyway Study grant.

At the end of the year the Business Improvement Area had a receivable of \$3,300 (2013 - \$nil) related to the Downtown Alleyway Study grant from the City of Hamilton and a payable to the City of Hamilton of \$230 (2013 - \$514) for the cash received in excess of the member levy collected by the City of Hamilton.

### 4. Accumulated surplus:

Accumulated surplus consists of the following:

	2014	2013
Surplus:		
Invested in tangible capital assets	\$ 4,368	\$ 6,028
Operating	63,682	43,164
Accumulated surplus	\$ 68,050	\$ 49,192

### 5. Commitments:

The Business Improvement Area has a \$3,000 revolving demand line of credit. The line of credit bears interest at 8.35%. As at December 31, 2014, there was a balance of \$nil (2013 - \$nil) in the line of credit.

### 6. Budget data:

The budget data presented in these financial statements is based upon the 2014 budget approved by the Board on October 17, 2013. Amortization was not contemplated on development of the budget and, as such, has not been included.

Financial Statements of

**KING STREET WEST  
BUSINESS IMPROVEMENT AREA**

Year ended December 31, 2014



**KPMG LLP**  
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## INDEPENDENT AUDITORS' REPORT

To the Chairman and Members of the Board of Management of the King Street West Business Improvement Area, Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Hamilton

We have audited the accompanying financial statements of the King Street West Business Improvement Area, which comprise the statement of financial position as at December 31, 2014 and the statements of operations, changes in net financial assets and cash flows for the year then ended and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the King Street West Business Improvement Area as at December 31, 2014, and its results of operations and its changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants

August 18, 2015  
Hamilton, Canada

# **KING STREET WEST BUSINESS IMPROVEMENT AREA**

## Financial Statements

Year ended December 31, 2014

### Financial Statements

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# KING STREET WEST BUSINESS IMPROVEMENT AREA

## Statement of Financial Position

December 31, 2014, with comparative information for 2013

	2014	2013
<b>Financial assets</b>		
Cash	\$ 13,117	\$ 9,183
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	-	277
Due to City of Hamilton	143	-
Net financial assets	12,974	8,906
<b>Non-financial assets</b>		
Tangible capital assets (note 2)	2,844	1,770
Prepaid expenses	1,377	1,377
	4,221	3,147
Accumulated surplus (note 4)	\$ 17,195	\$ 12,053

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

# KING STREET WEST BUSINESS IMPROVEMENT AREA

## Statement of Operations

Year ended December 31, 2014, with comparative information for 2013

	Budget (note 5)	2014	2013
<b>Revenue:</b>			
City of Hamilton grants (note 3)	\$ -	\$ 4,896	\$ 4,972
Assessment levy (note 3)	5,000	5,144	4,500
<b>Total revenue</b>	<b>5,000</b>	<b>10,040</b>	<b>9,472</b>
<b>Expenses:</b>			
Beautification	2,800	1,619	2,708
Insurance	1,500	1,377	1,377
Administration	1,424	1,008	79
Amortization	-	834	452
Professional fees	350	60	339
Meetings	300	-	229
<b>Total expenses</b>	<b>6,374</b>	<b>4,898</b>	<b>5,184</b>
<b>Annual surplus (deficit)</b>	<b>(1,374)</b>	<b>5,142</b>	<b>4,288</b>
Accumulated surplus, beginning of year		12,053	7,765
<b>Accumulated surplus, end of year</b>	<b>\$</b>	<b>17,195</b>	<b>\$ 12,053</b>

See accompanying notes to financial statements.

# KING STREET WEST BUSINESS IMPROVEMENT AREA

## Statement of Changes in Net Financial Assets

Year ended December 31, 2014, with comparative information for 2013

	2014	2013
Annual surplus	\$ 5,142	\$ 4,288
Acquisition of tangible capital asset	(1,908)	-
Amortization of tangible capital asset	834	452
Change in net financial assets	4,068	4,740
Net financial assets, beginning of year	8,906	4,166
Net financial assets, end of year	\$ 12,974	\$ 8,906

See accompanying notes to financial statements.



# KING STREET WEST BUSINESS IMPROVEMENT AREA

## Statement of Cash Flows

Year ended December 31, 2014, with comparative information for 2013

	2014	2013
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 5,142	\$ 4,288
Amortization	834	452
Change in non-cash assets and liabilities:		
Accounts payable and accrued liabilities	(277)	(4,619)
Due to City of Hamilton	143	3,247
Net change in cash from operating activities	5,842	3,368
Capital activities:		
Cash used to acquire tangible capital assets	(1,908)	-
Net increase in cash	3,934	3,368
Cash, beginning of year	9,183	5,815
Cash, end of year	\$ 13,117	\$ 9,183

See accompanying notes to financial statements.

# KING STREET WEST BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2014

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The King Street West Business Improvement Area ("Business Improvement Area") was established in 1998 by the Council of the City of Hamilton and has been entrusted with the improvement, beautification and maintenance of municipally owned land, buildings and structures in the improvement area, beyond such expenditure by the City of Hamilton. The Business Improvement Area is also responsible for the promotion of this improvement area for business and shopping. The Business Improvement Area is financed by a special levy charged upon businesses in the improvement area.

## 1. Significant accounting policies:

The financial statements of the Business Improvement Area are prepared by management in accordance with Canadian public sector accounting standards ("PSAS"). Significant accounting policies adopted by the Business Improvement Area are as follows:

(a) Basis of accounting:

The Business Improvement Area follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and balances with banks, and highly liquid temporary money market instruments with original maturities of three months or less.

(c) Government transfers:

Government transfers received relate to the assessment levy and operating grants. Government transfers are recognized in the financial statements as revenue when the transfer is authorized, any eligibility criteria are met and a reasonable estimate of the amounts can be made except when, and to the extent that, stipulations by the transferors give rise to an obligation that meet the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

(d) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

# KING STREET WEST BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2014

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## 1. Significant accounting policies (continued):

(d) Non-financial assets (continued):

(i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful life - years
Streetscape improvements	5

(e) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

# KING STREET WEST BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2014

## 2. Tangible capital assets

Cost	Balance at December 31, 2013	Additions	Disposals	Balance at December 31, 2014
Streetscape improvements	\$ 2,260	\$ 1,908	\$ -	\$ 4,168

Accumulated amortization	Balance at December 31, 2013	Disposals	Amortization expense	Balance at December 31, 2014
Streetscape improvements	\$ 490	\$ -	\$ 834	\$ 1,324

	Net book value December 31, 2014	Net book value December 31, 2013
Streetscape improvements	\$ 2,844	\$ 1,770

(a) Contributed tangible capital assets:

The Business Improvement Area received \$nil (2013 - \$nil) in contributed tangible capital assets.

(b) Tangible capital assets disclosed at nominal values:

There are no tangible capital assets recognized at a nominal value.

(c) Write-down of tangible capital assets:

The Business Improvement Area has not recorded write-downs of tangible capital assets during the year.

# KING STREET WEST BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2014

### 3. Related party transactions:

During the year, the Business Improvement Area recorded the following transactions with the City of Hamilton:

Revenue:

	2014	2013
Member levy collected on behalf of the Business Improvement Area	\$ 5,144	\$ 4,500

The City of Hamilton has also contributed \$1,638 (2013 - \$1,520) to commercial improvement programs undertaken by the Business Improvement Area and \$3,545 (2013 - \$3,452) for parking sharing program.

### 4. Accumulated surplus:

Accumulated surplus consists of the following:

	2014	2013
Surplus:		
Invested in tangible capital assets	\$ 2,844	\$ 1,770
Operating	14,351	10,283
Accumulated surplus	\$ 17,195	\$ 12,053

### 5. Budget data:

The budget data presented in these financial statements is based upon the 2014 budget approved by the Board on December 4, 2013. Amortization was not contemplated on development of the budget and, as such, has not been included.

Financial Statements of

**LOCKE STREET BUSINESS  
IMPROVEMENT AREA**

Year ended December 31, 2014



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## **INDEPENDENT AUDITORS' REPORT**

To the Chairman and Members of the Board of Management of the Locke Street Business Improvement Area, Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Hamilton

We have audited the accompanying financial statements of the Locke Street Business Improvement Area, which comprise the statement of financial position as at December 31, 2014, the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Locke Street Business Improvement Area as at December 31, 2014, and its results of operations and its changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*KPMG LLP*

---

Chartered Professional Accountants, Licensed Public Accountants

September 22, 2015  
Hamilton, Canada



# LOCKE STREET BUSINESS IMPROVEMENT AREA

## Financial Statements

Year ended December 31, 2014

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# LOCKE STREET BUSINESS IMPROVEMENT AREA

## Statement of Financial Position

December 31, 2014, with comparative information for 2013

	2014	2013
<b>Financial assets</b>		
Cash	\$ 23,886	\$ 14,565
Accounts receivable	19,639	1,435
Due from City of Hamilton (note 2)	1,000	961
	<u>44,525</u>	<u>16,961</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	5,610	1,060
Net financial assets	38,915	15,901
<b>Non-financial assets</b>		
Tangible capital assets (note 3)	20,358	-
Prepaid expenses	4,885	1,841
	<u>25,243</u>	<u>1,841</u>
Accumulated surplus	\$ 64,158	\$ 17,742

See accompanying notes to financial statements.

On behalf of the Board:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

## LOCKE STREET BUSINESS IMPROVEMENT AREA

### Statement of Operations

Year ended December 31, 2014, with comparative information for 2013

	Budget (note 5)	2014	2013
<b>Revenue:</b>			
Festival income (note 4)	\$ 25,000	\$ 42,299	\$ -
Assessment levy (note 2)	30,000	30,000	10,500
LSMA funding (note 4)	-	17,061	-
City of Hamilton grants (note 2)	-	14,355	14,987
Other income	-	5,353	-
<b>Total revenue</b>	<b>55,000</b>	<b>109,068</b>	<b>25,487</b>
<b>Expenses:</b>			
Advertising and promotion	17,143	4,805	3,272
Amortization	-	2,262	-
Commercial improvement	-	20,717	10,270
Donations	-	500	-
Festival expenses	25,000	29,569	-
Insurance	3,814	1,890	1,829
Office supplies	714	644	291
Professional fees	1,429	546	512
Special events	2,143	513	1,038
Website development	-	501	846
Miscellaneous	4,757	705	514
<b>Total expenses</b>	<b>55,000</b>	<b>62,652</b>	<b>18,572</b>
Annual surplus	-	46,416	6,915
Accumulated surplus, beginning of year		17,742	10,827
Accumulated surplus, end of year		\$ 64,158	\$ 17,742

See accompanying notes to financial statements.

## LOCKE STREET BUSINESS IMPROVEMENT AREA

### Statement of Changes in Net Financial Assets

Year ended December 31, 2014, with comparative information for 2013

	2014	2013
Annual surplus	\$ 46,416	\$ 6,915
Acquisition of tangible capital assets	(22,620)	-
Amortization of tangible capital assets	2,262	-
Increase in prepaid expenses	(3,044)	(1,099)
Change in net financial assets	23,014	5,816
Net financial assets, beginning of year	15,901	10,085
Net financial assets, end of year	\$ 38,915	\$ 15,901

See accompanying notes to financial statements.

## LOCKE STREET BUSINESS IMPROVEMENT AREA

### Statement of Cash Flows

Year ended December 31, 2014, with comparative information for 2013

	2014	2013
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 46,416	\$ 6,915
Items not involving cash:		
Amortization	2,262	-
Change in non-cash assets and liabilities:		
Accounts receivable	(18,204)	518
Prepaid expenses	(3,044)	(1,099)
Accounts payable and accrued liabilities	4,550	510
Net change in cash from operating activities	31,980	6,844
Capital activities:		
Cash used to acquire tangible capital assets	(22,620)	-
Financing activities:		
Change in due from City of Hamilton	(39)	(961)
Net increase in cash	9,321	5,883
Cash, beginning of year	14,565	8,682
Cash, end of year	\$ 23,886	\$ 14,565

See accompanying notes to financial statements.

# LOCKE STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2014

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The Locke Street Business Improvement Area ("Business Improvement Area") was established in 2007 by the Council of the City of Hamilton and has been entrusted with the improvement, beautification and maintenance of municipality owned lands, buildings and structures in the improvement area, beyond such expenditures by the Municipality. The Business Improvement Area is also responsible for the promotion of this improvement area for business and shopping. The Business Improvement Area is financed by a special levy charged upon businesses in the improvement area.

During the year ended December 31, 2014, the Business Improvement Area assumed a large portion of the Locke Street Merchants Association's ("LSMA") responsibilities. As part of this change, the Business Improvement Area has accepted responsibility for the Locke Street Festival, including the related revenues and expenditures of the festival and commercial improvement expenses incurred on Locke Street that were previously performed by the LSMA.

## 1. Significant accounting policies:

The financial statements of the Business Improvement Area are prepared by management in accordance with Canadian public sector accounting standards ("PSAS") as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Business Improvement Area are as follows:

### (a) Basis of accounting:

The Business Improvement Area follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

### (b) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and balances with banks, and highly liquid temporary money market instruments with original maturities of three months or less.

### (c) Government transfers:

Government transfers received relate to the assessment levy and operating grants. Government transfers are recognized in the financial statements as revenues when the transfer is authorized, any eligibility criteria are met and a reasonable estimate of the amounts can be made except when, and to the extent that, stipulations by the transferors give rise to an obligation that meet the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

# LOCKE STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2014

---

## 1. Significant accounting policies (continued):

### (d) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

#### (i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful life - years
Decorations	5

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### (e) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

# LOCKE STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2014

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## 2. Related party transactions:

During the year, the Business Improvement Area recorded the following transactions with the City of Hamilton:

Revenue:

---

	2014	2013
Member levy collected on behalf of the Business Improvement Area	\$ 30,000	\$ 10,500

---

The City of Hamilton has also contributed \$4,527 (2013 - \$6,141) to commercial improvement programs undertaken by the Business Improvement Area and \$8,828 (2013 - \$8,846) from the parking sharing revenue program. At the end of the year, the Christmas grant of \$1,000 (2013 - \$961) was owing from the City of Hamilton.



# LOCKE STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2014

### 3. Tangible capital assets:

Cost	Balance at December 31, 2013	Additions	Disposals	Balance at December 31, 2014
Decorations	\$ -	\$ 22,620	\$ -	\$ 22,620
<b>Total</b>	<b>\$ -</b>	<b>\$ 22,620</b>	<b>\$ -</b>	<b>\$ 22,620</b>

Accumulated amortization	Balance at December 31, 2013	Disposals	Amortization expense	Balance at December 31, 2014
Decorations	\$ -	\$ -	\$ 2,262	\$ 2,262
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,262</b>	<b>\$ 2,262</b>

Net book value	December 31, 2013	December 31, 2014
Decorations	\$ -	\$ 20,358
<b>Total</b>	<b>\$ -</b>	<b>\$ 20,358</b>

(a) Contributed tangible capital assets:

The Business Improvement Area received \$nil (2013 - \$nil) in contributed tangible capital assets.

(b) Tangible capital assets disclosed at nominal values:

There are no tangible capital assets recognized at a nominal value.

(c) Write-down of tangible capital assets:

The Business Improvement Area has not recorded write-downs of tangible capital assets during the year.

# LOCKE STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2014

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## 4. Significant changes in revenue:

- (i) LSMA funding includes transfers made from the Locke Street Merchants Association for commercial improvement expenses incurred by the Business Improvement Area during the year.
- (ii) Festival income includes revenues earned through the Locke Street Festival during the year. Festival expense includes expenses incurred for the Locke Street Festival during the year.

## 5. Budget data:

The budget data presented in these financial statements is based upon the 2014 budget approved by the Board on January 14, 2014. Amortization was not contemplated on development of the budget and, as such, has not been included.

Financial Statements of

**OTTAWA STREET  
BUSINESS IMPROVEMENT AREA**

Year ended December 31, 2014



**KPMG LLP**  
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## INDEPENDENT AUDITORS' REPORT

To the Chairman and Members of the Board of Management of Ottawa Street Business Improvement Area, Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Hamilton

We have audited the accompanying financial statements of Ottawa Street Business Improvement Area, which comprise the statement of financial position as at December 31, 2014, the statements of operations, changes in net financial debt and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Ottawa Street Business Improvement Area as at December 31, 2014, and its results of operations and its changes in net financial debt and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants

September 10, 2015  
Hamilton, Canada

# OTTAWA STREET BUSINESS IMPROVEMENT AREA

## Financial Statements

Year ended December 31, 2014

### Financial Statements

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# OTTAWA STREET BUSINESS IMPROVEMENT AREA

## Statement of Financial Position

December 31, 2014, with comparative information for 2013

	2014	2013
<b>Financial assets</b>		
Cash	\$ 67,438	\$ 64,965
Accounts receivable	8,371	18,186
Due from City of Hamilton (note 3)	1,591	-
	<u>77,400</u>	<u>83,151</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	21,666	15,823
Due to City of Hamilton (note 3)	-	1,465
Deferred revenue	66,500	66,500
	<u>88,166</u>	<u>83,788</u>
Net financial debt	(10,766)	(637)
<b>Non-financial assets</b>		
Tangible capital assets (note 2)	13,692	7,822
Prepaid expenses	1,745	1,770
Commitments (note 5)		
Accumulated surplus (note 4)	\$ 4,671	\$ 8,955

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

## OTTAWA STREET BUSINESS IMPROVEMENT AREA

### Statement of Operations

Year ended December 31, 2014, with comparative information for 2013

	Budget (note 6)	2014	2013
<b>Revenue:</b>			
Assessment levy (note 3)	\$ 133,000	\$ 133,000	\$ 133,000
City of Hamilton grant (note 3)	38,489	53,101	38,491
Farmer's market	35,400	19,405	20,598
Other income	11,425	27,208	29,475
<b>Total revenue</b>	<b>218,314</b>	<b>232,714</b>	<b>221,564</b>
<b>Expenses:</b>			
Advertising and promotion	47,136	33,886	39,156
Administrative services	93,026	99,789	95,338
Amortization	-	3,981	2,085
Bad debts	-	1,381	2,426
Beautification	19,432	20,424	15,566
Insurance	3,300	3,031	2,784
Office	2,500	5,416	3,501
Project costs	24,150	35,338	27,785
Rent	28,770	33,752	25,661
<b>Total expenses</b>	<b>218,314</b>	<b>236,998</b>	<b>214,302</b>
Annual (deficit) surplus	-	(4,284)	7,262
Accumulated surplus, beginning of year		8,955	1,693
<b>Accumulated surplus, end of year</b>		<b>\$ 4,671</b>	<b>\$ 8,955</b>

See accompanying notes to financial statements.



## OTTAWA STREET BUSINESS IMPROVEMENT AREA

### Statement of Changes in Net Financial Debt

Year ended December 31, 2014, with comparative information for 2013

	2014	2013
Annual (deficit) surplus	\$ (4,284)	\$ 7,262
Acquisition of tangible capital assets	(9,851)	(5,761)
Amortization of tangible capital assets	3,981	2,085
Decrease (increase) in prepaid expenses	25	(127)
Change in net financial debt	(10,129)	3,459
Net financial debt, beginning of year	(637)	(4,096)
Net financial debt, end of year	\$ (10,766)	\$ (637)

See accompanying notes to financial statements.

## OTTAWA STREET BUSINESS IMPROVEMENT AREA

### Statement of Cash Flows

Year ended December 31, 2014, with comparative information for 2013

	2014	2013
Cash provided by (used in):		
Operating activities:		
Annual (deficit) surplus	\$ (4,284)	\$ 7,262
Items not involving cash:		
Amortization	3,981	2,085
Changes in non-cash assets and liabilities:		
Accounts receivable	9,815	494
Prepaid expenses	25	(127)
Accounts payable and accrued liabilities	5,843	3,568
Deferred revenue	-	66,500
Net change in cash from operating activities	15,380	79,782
Capital activities:		
Cash used to acquire tangible capital assets	(9,851)	(5,761)
Financing activities:		
Change in due to City of Hamilton	(3,056)	(12,236)
Net increase in cash	2,473	61,785
Cash, beginning of year	64,965	3,180
Cash, end of year	\$ 67,438	\$ 64,965

See accompanying notes to financial statements.

# OTTAWA STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2014

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Ottawa Street Business Improvement Area (the "Business Improvement Area") was established in 1985 by the Council of the City of Hamilton and has been entrusted with the improvement, beautification and maintenance of municipally owned land, buildings and structures in the improvement area, beyond such expenditure by the City of Hamilton. The Business Improvement Area is also responsible for the promotion of this area for business and shopping. The Business Improvement Area is financed by a special levy charged upon businesses in the improvement area.

## 1. Significant accounting policies:

The financial statements of the Business Improvement Area are prepared by management in accordance with Canadian public sector accounting standards ("PSAS") as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Business Improvement Area are as follows:

(a) Basis of accounting:

The Business Improvement Area follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and balances with banks, and highly liquid temporary money market instruments with original maturities of three months or less.

(c) Government transfers:

Government transfers received relate to the assessment levy and operating grants. Government transfers are recognized in the financial statements as revenues when the transfer is authorized, any eligibility criteria are met and a reasonable estimate of the amounts can be made except when, and to the extent that, stipulations by the transferors give rise to an obligation that meet the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

(d) Deferred revenue:

Deferred revenues represent the tax levy bylaw revenue which has been collected, but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

# OTTAWA STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2014

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## 1. Significant accounting policies (continued):

(e) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful life - years
Computers	5
Decorations	5
Furniture and equipment	10
Leasehold improvements	10

(f) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

## OTTAWA STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2014

### 2. Tangible capital assets:

Cost	Balance at December 31, 2013	Additions	Disposals	Balance at December 31, 2014
Computers	\$ 1,022	\$ -	\$ -	\$ 1,022
Decorations	9,402	4,724	-	14,126
Furniture and equipment	-	3,658	-	3,658
Leasehold improvements	4,379	1,469	-	5,848
<b>Total</b>	<b>\$ 14,803</b>	<b>\$ 9,851</b>	<b>\$ -</b>	<b>\$ 24,654</b>

Accumulated amortization	Balance at December 31, 2013	Disposals	Amortization expense	Balance at December 31, 2014
Computers	\$ 345	\$ -	\$ 205	\$ 550
Decorations	6,048	-	2,825	8,873
Furniture and equipment	-	-	366	366
Leasehold improvements	588	-	585	1,173
<b>Total</b>	<b>\$ 6,981</b>	<b>\$ -</b>	<b>\$ 3,981</b>	<b>\$ 10,962</b>

Net book value	December 31, 2013	December 31, 2014
Computers	\$ 677	\$ 472
Decorations	3,354	5,253
Furniture and equipment	-	3,292
Leasehold improvements	3,791	4,675
<b>Total</b>	<b>\$ 7,822</b>	<b>\$ 13,692</b>

(a) Contributed tangible capital assets:

The Business Improvement Area received \$nil (2013 - \$nil) in contributed tangible capital assets.

(b) Tangible capital assets disclosed at nominal values:

There are no tangible capital assets recognized at a nominal value.

(c) Write-down of tangible capital assets:

The Business Improvement Area has not recorded write-downs of tangible capital assets during the year.

## OTTAWA STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2014

### 3. Related party transactions:

During the year, the Business Improvement Area recorded the following transactions with the City of Hamilton:

Revenue:

	2014	2013
Member levy collected on behalf of the Ottawa Street Business Improvement Area	\$ 133,000	\$133,000

The City of Hamilton has also contributed \$14,459 (2013 - \$14,472) to commercial improvement programs undertaken by the Business Improvement Area and \$24,287 (2013 - \$23,058) from parking sharing revenue program. The City of Hamilton also contributed \$14,355 (2013 - \$nil) in other grants. At the end of the year, other grants of \$1,591 were receivable (2013 - \$961) from the City of Hamilton. The amount due to the City of Hamilton at December 31, 2013 also includes a payable of \$2,426 for cash received by the Business Improvement Area in excess of the member levy collected by the City of Hamilton.

### 4. Accumulated surplus:

Accumulated surplus consists of the following:

	2014	2013
Surplus:		
Invested in tangible capital assets	\$ 13,692	\$ 7,822
Operating	(9,021)	1,133
Accumulated surplus	\$ 4,671	\$ 8,955

### 5. Commitments:

The Business Improvement Area is committed under an operating lease for the rental of office space. Future minimum lease payments under this operating lease are as follows:

2015	\$ 19,800
2016	20,200
2017	20,400
2018 and thereafter	6,800

# OTTAWA STREET BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2014

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## **6. Budget data:**

The budget data presented in these financial statements is based upon the 2014 budget approved by the Board on September 12, 2013. Amortization was not contemplated on development of the budget and, as such, has not been included.

Financial Statements of

**STONEY CREEK BUSINESS  
IMPROVEMENT AREA**

Year ended December 31, 2014





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## INDEPENDENT AUDITORS' REPORT

To the Chairman and Members of the Board of Management of the Stoney Creek Business Improvement Area, Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Hamilton

We have audited the accompanying financial statements of the Stoney Creek Business Improvement Area, which comprise the statement of financial position as at December 31, 2014, the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Stoney Creek Business Improvement Area as at December 31, 2014, and its results of operations and its changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*KPMG LLP*

---

Chartered Professional Accountants, Licensed Public Accountants

September 16, 2015  
Hamilton, Canada

# STONEY CREEK BUSINESS IMPROVEMENT AREA

Financial Statements

Year ended December 31, 2014

## Financial Statements

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# STONEY CREEK BUSINESS IMPROVEMENT AREA

## Statement of Financial Position

December 31, 2014, with comparative information for 2013

	2014	2013
<b>Financial assets</b>		
Cash	\$ 18,587	\$ 18,552
HST receivable (note 5)	3,627	2,460
Due from the City of Hamilton (note 3)	460	509
	<u>22,674</u>	<u>21,521</u>
<b>Financial liabilities</b>		
Deferred revenue	6,539	6,472
Net financial assets	16,135	15,049
<b>Non-financial assets</b>		
Tangible capital assets (note 2)	-	1,949
Prepaid expenses	628	624
	<u>628</u>	<u>2,573</u>
Accumulated surplus	<u>\$ 16,763</u>	<u>\$ 17,622</u>

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

# STONEY CREEK BUSINESS IMPROVEMENT AREA

## Statement of Operations

Year ended December 31, 2014, with comparative information for 2013

	Budget (note 4)	2014	2013
<b>Revenue:</b>			
Assessment levy (note 3)	\$ 12,944	\$ 12,944	\$ 15,073
City of Hamilton grants (note 3)	-	2,639	3,599
<b>Total revenue</b>	<b>12,944</b>	<b>15,583</b>	<b>18,672</b>
<b>Expenses:</b>			
Administration	2,000	2,491	1,840
Advertising and promotion	5,500	600	700
Amortization	-	1,949	2,866
Audit fees	-	427	474
Bad debts	-	354	-
Bank charges and interest	-	-	25
Beautification	13,500	3,922	6,463
Christmas decorations and Santa Claus parade	600	2,659	4,136
Contingency fund	2,000	-	-
Commercial improvement	-	1,825	2,145
Insurance	1,500	1,504	1,541
Special events	-	711	-
<b>Total expenses</b>	<b>25,100</b>	<b>16,442</b>	<b>20,190</b>
<b>Annual deficit</b>	<b>(12,156)</b>	<b>(859)</b>	<b>(1,518)</b>
Accumulated surplus, beginning of year		17,622	19,140
<b>Accumulated surplus, end of year</b>		<b>\$ 16,763</b>	<b>\$ 17,622</b>

See accompanying notes to financial statements.

## STONEY CREEK BUSINESS IMPROVEMENT AREA

### Statement of Changes in Net Financial Assets

Year ended December 31, 2014, with comparative information for 2013

	2014	2013
Annual deficit	\$ (859)	\$ (1,518)
Amortization of tangible capital assets	1,949	2,866
Increase in prepaid expenses	(4)	-
Change in net financial assets	1,086	1,348
Net financial assets, beginning of year	15,049	13,701
Net financial assets, end of year	\$ 16,135	\$ 15,049

See accompanying notes to financial statements.

## STONEY CREEK BUSINESS IMPROVEMENT AREA

### Statement of Cash Flows

Year ended December 31, 2014, with comparative information for 2013

	2014	2013
Cash provided by (used in):		
Operating activities:		
Annual deficit	\$ (859)	\$ (1,518)
Items not involving cash:		
Amortization	1,949	2,866
Change in non-cash assets and liabilities:		
HST receivable	(1,167)	(1,408)
Prepaid expenses	(4)	-
Deferred revenue	67	6,472
Net change in cash from operating activities	(14)	6,412
Financing activities:		
Change in due from City of Hamilton	49	(509)
Net increase in cash	35	5,903
Cash, beginning of year	18,552	12,649
Cash, end of year	\$ 18,587	\$ 18,552

See accompanying notes to financial statements.

# STONEY CREEK BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2014

---

The Stoney Creek Business Improvement Area (the "Business Improvement Area") was established in 1978 by the council of the former City of Stoney Creek and has been entrusted with the improvement, beautification and maintenance of municipally owned land, buildings and structures in the improvement area, beyond such expenditure by the City of Hamilton. The Business Improvement Area is also responsible for the promotion of this improvement area for business and shopping. The Business Improvement Area is financed by a special levy charged upon businesses in the improvement area.

## 1. Significant accounting policies:

The financial statements of the Business Improvement Area are prepared by management in accordance with Canadian public sector accounting standards ("PSAS") as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Business Improvement Area are as follows:

### (a) Basis of accounting:

The Business Improvement Area follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

### (b) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and balances with banks, and highly liquid temporary money market instruments with original maturities of three months or less.

### (c) Deferred revenue:

Deferred revenues represent the tax levy bylaw revenue which has been collected, but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

### (d) Government transfers:

Government transfers received relate to the assessment levy and operating grants. Government transfers are recognized in the financial statements as revenues when the transfer is authorized, any eligibility criteria are met and a reasonable estimate of the amounts can be made except when, and to the extent that, stipulations by the transferors give rise to an obligation that meet the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.



# STONEY CREEK BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2014

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## 1. Significant accounting policies (continued):

(e) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful life - years
Decorations	5

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(f) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

# STONEY CREEK BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2014

## 2. Tangible capital assets:

Cost	Balance at December 31, 2013	Additions	Disposals	Balance at December 31, 2014
Decorations	\$ 14,329	\$ -	\$ -	\$ 14,329

Accumulated amortization	Balance at December 31, 2013	Disposals	Amortization expense	Balance at December 31, 2014
Decorations	\$ 12,380	\$ -	\$ 1,949	\$ 14,329

Net book value	December 31, 2014	December 31, 2013
Decorations	\$ -	\$ 1,949

(a) Contributed tangible capital assets:

The Business Improvement Area received \$nil (2013 - \$nil) in contributed tangible capital assets.

(b) Tangible capital assets disclosed at nominal values:

There are no tangible capital assets recognized at a nominal value.

(c) Write-down of tangible capital assets:

The Business Improvement Area has not recorded write-downs of tangible capital assets during the year.

# STONEY CREEK BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2014

### 3. Related party transactions:

During the year, the Business Improvement Area recorded the following transactions with the City of Hamilton:

Revenue:

	2014	2013
Member levy collected on behalf of the Business Improvement Area	\$ 12,944	\$ 15,073

The City of Hamilton has also contributed \$1,825 (2013 - \$2,145) to commercial improvement programs undertaken by the Business Improvement Area and \$814 (2013 - \$1,454) in other grants. At the end of the year, the Christmas grant of \$814 (2013 - \$509) was owing from the City of Hamilton net of levy tax write-offs of \$354 (2013 - \$nil).

### 4. Budget data:

The budget data presented in these financial statements is based upon the 2014 budget approved by the Board on October 29, 2013. Amortization was not contemplated on development of the budget and, as such, has not been included.

### 5. HST receivable:

On December 17, 2014, the Business Improvement Area received a determination from Canada Revenue Agency noting that it had been granted para-municipal status per Part IX of the Excise Tax Act. Under this determination, the Business Improvement Area is permitted to retroactively file for a return of a 100% rebate of the federal component and 78% of the provincial component of HST remitted during the preceding four fiscal years. The amount recorded in the current year of \$3,627 (2013 - \$2,460) represents management's estimate of amounts to be recovered based on the total four year retroactive claim.

Financial Statements of

**WESTDALE BUSINESS  
IMPROVEMENT AREA**

Year ended December 31, 2014



**KPMG LLP**  
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## INDEPENDENT AUDITORS' REPORT

To the Chairman and Members of the Board of Management of the Westdale Business Improvement Area, Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Hamilton

We have audited the accompanying financial statements of the Westdale Business Improvement Area, which comprise the statement of financial position as at December 31, 2014, the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Westdale Business Improvement Area as at December 31, 2014, and its results of operations and its changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants

November 4, 2015  
Hamilton, Canada

# WESTDALE BUSINESS IMPROVEMENT AREA

Financial Statements

Year ended December 31, 2014

## Financial Statements

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# WESTDALE BUSINESS IMPROVEMENT AREA

## Statement of Financial Position

December 31, 2014, with comparative information for 2013

	2014	2013
<b>Financial assets</b>		
Cash	\$ 47,179	\$ 55,710
Accounts receivable	17,867	3,241
Due from City of Hamilton	3,775	-
	<u>68,821</u>	<u>58,951</u>
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	19,870	17,889
	<u>48,951</u>	<u>41,062</u>
<b>Non-financial assets</b>		
Tangible capital assets (note 2)	17,865	27,972
Prepaid expenses	5,691	2,691
	<u>23,556</u>	<u>30,663</u>
Accumulated surplus (note 3)	<u>\$ 72,507</u>	<u>\$ 71,725</u>

See accompanying notes to financial statements.

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director



## WESTDALE BUSINESS IMPROVEMENT AREA

### Statement of Operations

Year ended December 31, 2014, with comparative information for 2013

	Budget (note 5)	2014	2013
<b>Revenue:</b>			
Assessment levy (note 4)	\$ 122,500	\$ 122,500	\$ 122,500
City of Hamilton grants (note 4)	-	42,208	41,547
HST recovery	-	6,941	-
	122,500	171,649	164,047
<b>Expenses:</b>			
Advertising	20,000	33,699	7,171
Amortization	-	10,107	10,107
Audit and legal fees	-	1,007	3,638
Bank charges	-	128	96
Beautification	21,500	32,257	42,730
Festival	20,000	59,337	36,676
Insurance	-	4,780	3,531
Miscellaneous	1,000	-	377
Office and general expense	17,000	8,544	10,512
Rent	-	7,643	7,050
Wages	43,000	13,365	46,155
	122,500	170,867	168,043
Annual surplus (deficit)	-	782	(3,996)
Accumulated surplus, beginning of year		71,725	75,721
Accumulated surplus, end of year		\$ 72,507	\$ 71,725

See accompanying notes to financial statements.

## WESTDALE BUSINESS IMPROVEMENT AREA

### Statement of Changes in Net Financial Assets

Year ended December 31, 2014, with comparative information for 2013

	2014	2013
Annual surplus (deficit)	\$ 782	\$ (3,996)
Amortization of tangible capital assets	10,107	10,107
Increase in prepaid expenses	(3,000)	-
Change in net financial assets	7,889	6,111
Net financial assets, beginning of year	41,062	34,951
Net financial assets, end of year	\$ 48,951	\$ 41,062

See accompanying notes to financial statements.

## WESTDALE BUSINESS IMPROVEMENT AREA

### Statement of Cash Flows

Year ended December 31, 2014, with comparative information for 2013

	2014	2013
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ 782	\$ (3,996)
Items not involving cash:		
Amortization	10,107	10,107
Change in non-cash assets and liabilities:		
Accounts receivable	(14,626)	19,538
Accounts payable and accrued liabilities	1,981	10,356
Prepaid expenses	(3,000)	-
Cash (used in) provided by operating activities	(4,756)	36,005
Financing activities:		
Change in due from City of Hamilton	(3,775)	(1,266)
Net (decrease) increase in cash	(8,531)	34,739
Cash, beginning of year	55,710	20,971
Cash, end of year	\$ 47,179	\$ 55,710

See accompanying notes to financial statements.

# WESTDALE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements

Year ended December 31, 2014

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The Westdale Business Improvement Area (the "Business Improvement Area") was established in 1986 by the Council of the City of Hamilton and has been entrusted with the improvement, beautification and maintenance of municipally owned land, buildings and structures in the improvement area, beyond such expenditure by the Municipality. The Business Improvement Area is also responsible for the promotion of this improvement area for business and shopping. The Business Improvement Area is financed by a special levy charged upon businesses in the improvement area.

## 1. Significant accounting policies:

The financial statements of the Business Improvement Area are prepared by management in accordance with Canadian public sector accounting standards ("PSAS") as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Business Improvement Area are as follows:

### (a) Basis of accounting:

The Business Improvement Area follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

### (b) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and balances with banks, and highly liquid temporary money market instruments with original maturities of three months or less.

### (c) Government transfers:

Government transfers received relate to the assessment levy and operating grants. Government transfers are recognized in the financial statements as revenues when the transfer is authorized, any eligibility criteria are met and a reasonable estimate of the amounts can be made except when, and to the extent that, stipulations by the transferors give rise to an obligation that meet the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

# WESTDALE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2014

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## 1. Significant accounting policies (continued):

(d) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight line basis over their estimated useful lives as follows:

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Asset	Useful life - years
Furniture and equipment	10
Computer hardware	5
Decorations	5

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(e) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

## WESTDALE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2014

### 2. Tangible capital assets:

Cost	Balance at December 31, 2013	Additions	Disposals	Balance at December 31, 2014
Furniture and equipment	\$ 7,129	\$ -	\$ -	\$ 7,129
Computer hardware	1,337	-	-	1,337
Decorations	46,972	-	-	46,972
<b>Total</b>	<b>\$ 55,438</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 55,438</b>

Accumulated amortization	Balance at December 31, 2013	Disposals	Amortization expense	Balance at December 31, 2014
Furniture and equipment	\$ 2,495	\$ -	\$ 713	\$ 3,208
Computer hardware	1,337	-	-	1,337
Decorations	23,634	-	9,394	33,028
<b>Total</b>	<b>\$ 27,466</b>	<b>\$ -</b>	<b>\$ 10,107</b>	<b>\$ 37,573</b>

Net book value	December 31, 2013	December 31, 2014
Furniture and equipment	\$ 4,634	\$ 3,921
Computer hardware	-	-
Decorations	23,338	13,944
<b>Total</b>	<b>\$ 27,972</b>	<b>\$ 17,865</b>

# WESTDALE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2014

## 2. Tangible capital assets (continued):

### (a) Contributed tangible capital assets:

The Business Improvement Area received \$nil (2013 - \$nil) in contributed tangible capital assets.

### (b) Tangible capital assets disclosed at nominal values:

There are no tangible capital assets recognized at a nominal value.

### (c) Write-down of tangible capital assets:

There were no write-downs of tangible capital assets during the year.

## 3. Accumulated surplus:

Accumulated surplus consists of the following:

	2014	2013
Surplus:		
Invested in tangible capital assets	\$ 17,865	\$ 27,972
Operating	54,642	43,753
Accumulated surplus	\$ 72,507	\$ 71,725

## 4. Related party transactions:

During the year, the Business Improvement Area recorded the following transactions with the City of Hamilton:

	2014	2013
Revenue:		
Member levy collected on behalf of the Business Improvement Area	\$ 122,500	\$ 122,500

The City of Hamilton has also contributed \$13,736 (2013 - \$13,935) to commercial improvement programs undertaken by the Business Improvement Area, \$4,736 (2013 - \$1,020) in other grants and \$23,736 (2013 - \$26,592) to a parking revenue sharing program.

# WESTDALE BUSINESS IMPROVEMENT AREA

Notes to Financial Statements (continued)

Year ended December 31, 2014

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## **5. Budget data:**

The budget data presented in these financial statements is based upon the 2014 budget approved by the Board on December 10, 2013. Amortization was not contemplated on development of the budget and, as such, has not been included.